

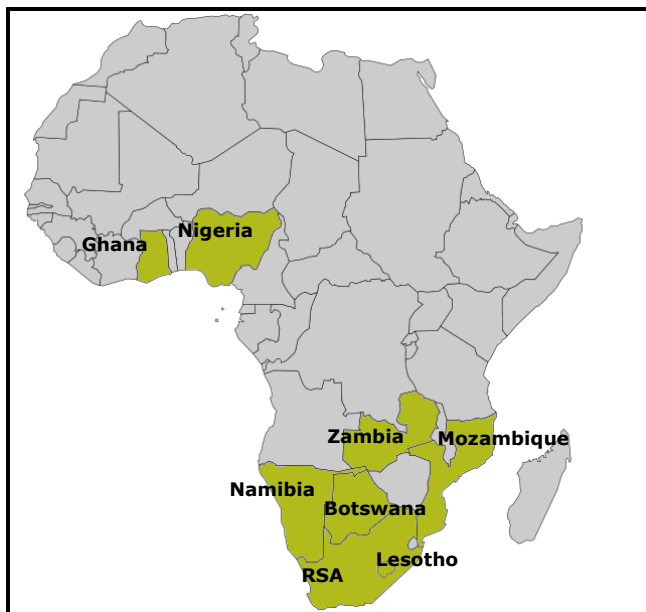
**JHI**  
**CORPORATE PROFILE**

JHI is an independent property services company delivering comprehensive service offerings to a wide client base.

## KEY LOCATIONS

JHI provides quality property, facility management and operation services on a local, regional, national and international (Africa) basis to tenants, owners, and investors. To this extent, JHI currently has representation in Namibia, Zambia, Lesotho, Mozambique, Botswana, Nigeria and Ghana. All operations are fully supported from our South African offices and all IT systems are internet based, are regularly updated and have dedicated support services.

### Geographical Footprint and Offices



- South Africa**
- Johannesburg (Head Office)
  - Pretoria
  - Cape Town
  - Durban
  - Bloemfontein
  - Port Elizabeth
  - East London
  - Mthatha

- Namibia**
- Windhoek

- Zambia**
- Lusaka

- Lesotho**
- Maseru

- Ghana**
- Accra

- Botswana**
- Gaberone

- Mozambique**
- Maputo

- Nigeria**
- Lagos

## SOUTH AFRICAN ORGANIZATIONAL STRUCTURE

JHI is dedicated to being a truly representative South African company and currently 35% black owned. According to calculations JHI scores in excess of 65% against the 5 year DTI targets which will result in JHI being a LEVEL 4 company which enables users of our services to claim 100% on their procurement spent with us.

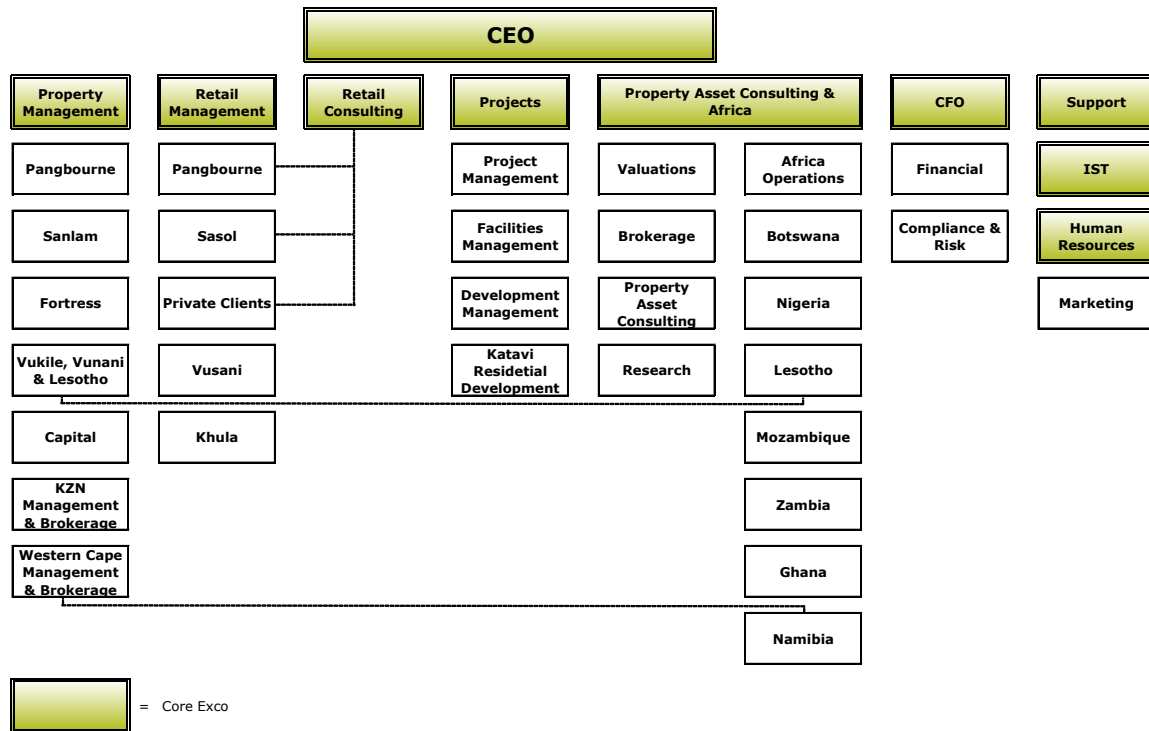
JHI believes that transformation is an ongoing process and is committed to comply with the BBBEE Act.

### Shareholding

Share Holders	Shareholding	JHI % Black Owned
Phoenix Industriële Park (Pty) Ltd	0.07%	0.00%
Sanlam Investments Holdings Ltd	0.07%	0.02%
Rheezicht Investments (Pty) Ltd	0.07%	0.00%
Phatsima Industrial (Pty) Ltd	5.10%	3.52%
Micawber 534 (Pty) Ltd	42.00%	23.40%
Sanlam Ltd	19.80%	4.65%
Rehna Investments (Pty) Ltd	16.46%	0.00%
The Hashim Bahm Family Trust	0.36%	0.36%
Nehanda Property (Pty) Ltd	4.08%	3.40%
JH Isaacs Group Holdings (Pty) Ltd	12.00%	0.00%
	<b>100.00%</b>	<b>35.35%</b>

The organizational structure of JHI is as follows :

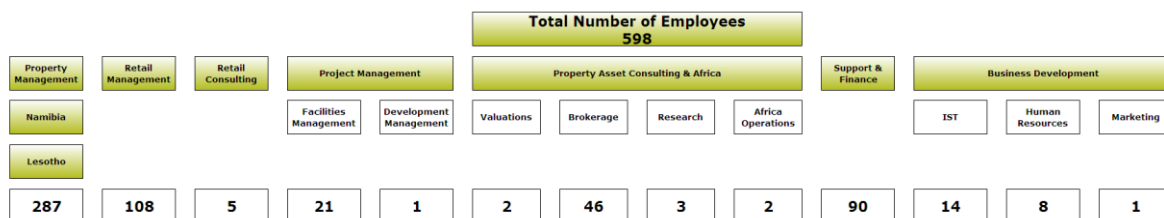
## Organizational Structure



## NUMBER OF EMPLOYEES AND SPLIT BY BUSINESS SERVICE

JHI have a total number of 598 employees with the majority of employees situated at head office in Johannesburg. Employees housed in offices outside South Africa are three in Lesotho and eight in Namibia. The split of employees per business service is shown in the figure below, with the split per business service per region shown in the table below. (Please note that employees for Lesotho and Namibia are included in the Gauteng and Western Cape regions respectively).

### Employees per Business Service



## Number of Employees per Business Service and Region

	Gauteng	KZN	WC	PE	Pretoria	Bloem
Property Management	138	58	64	5	26	6
Retail Management	91	17				
Retail Consulting	5					
Projects & Facilities Management	20	1				
Development Management	1					
Valuation	2					
Brokerage	17	13	11		5	
Research	3					
African Operations	2					
Support & Finance	90					
IST	14					
Human Resources	8					
Marketing	1					
<b>Total</b>	<b>392</b>	<b>89</b>	<b>75</b>	<b>5</b>	<b>31</b>	<b>6</b>

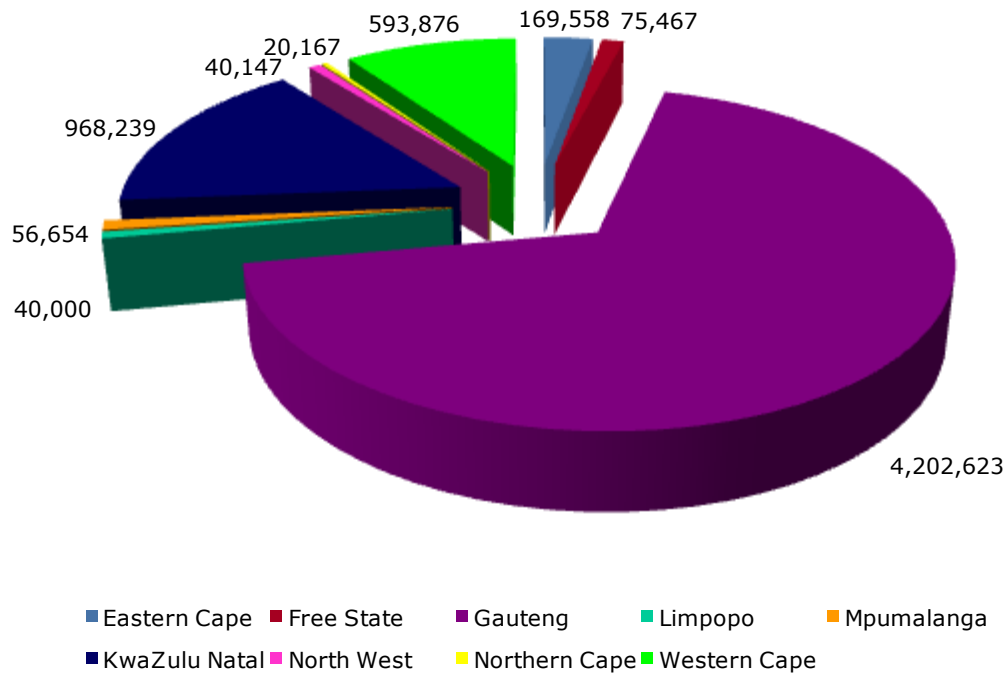
## SOUTH AFRICAN AND AFRICA PRESENCE

JHI is a well established property services company with more than a century of experience. Our current portfolio under management comprises the following :

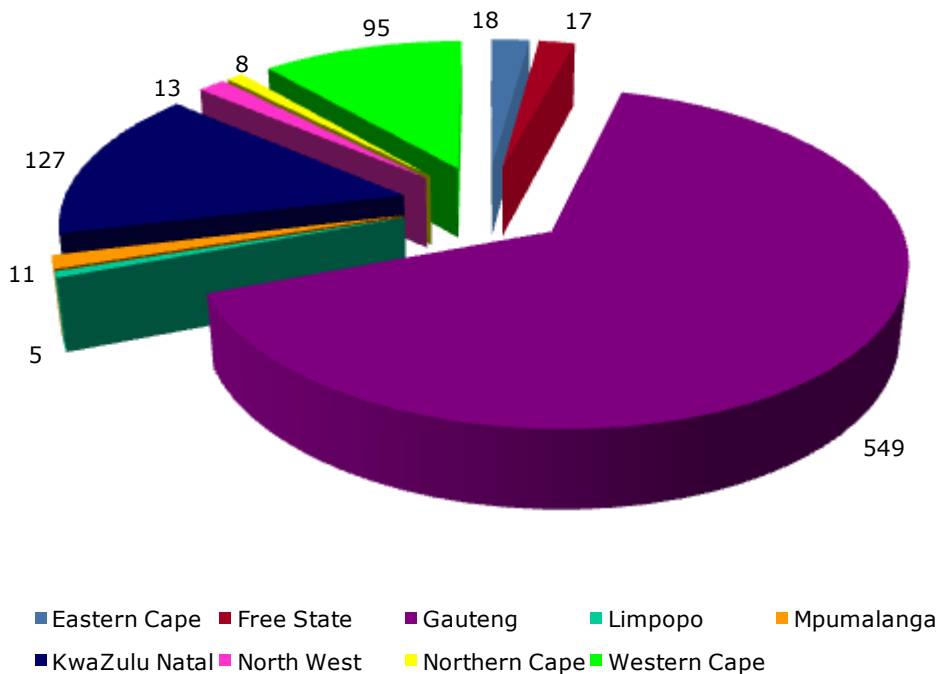
- ❑ Approximately R40 billion of asset value
- ❑ Approximately 843 buildings
- ❑ In excess of 12,000 tenants
- ❑ Approximately 6.1-million m<sup>2</sup> under management

JHI operates throughout South and Southern Africa, with major representation in Gauteng, KwaZulu Natal and the Western Cape. The figures below give an indication of the total gross lettable area and the number of buildings per province currently under management.

### Gross Lettable Area per Province (m<sup>2</sup>)

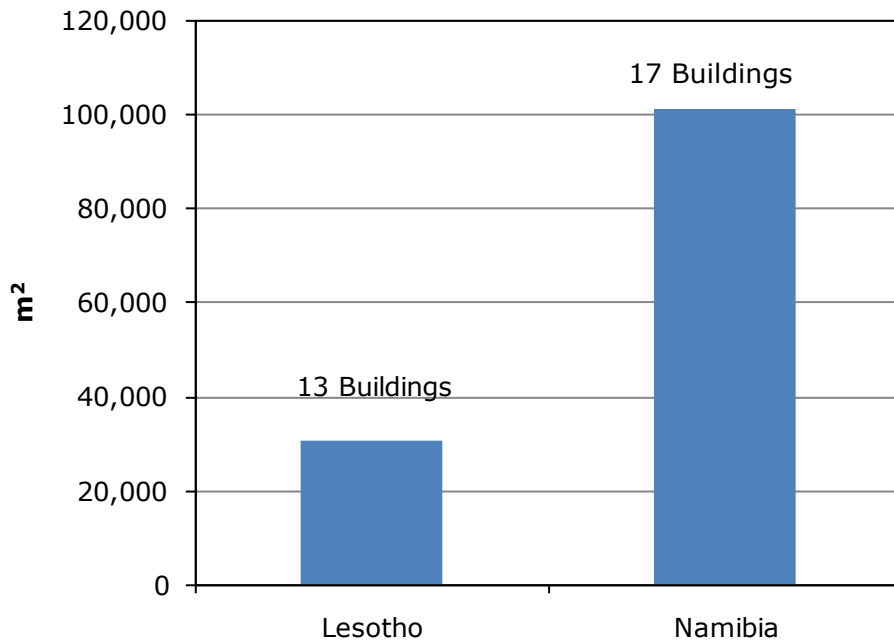


### Number of Buildings per Province



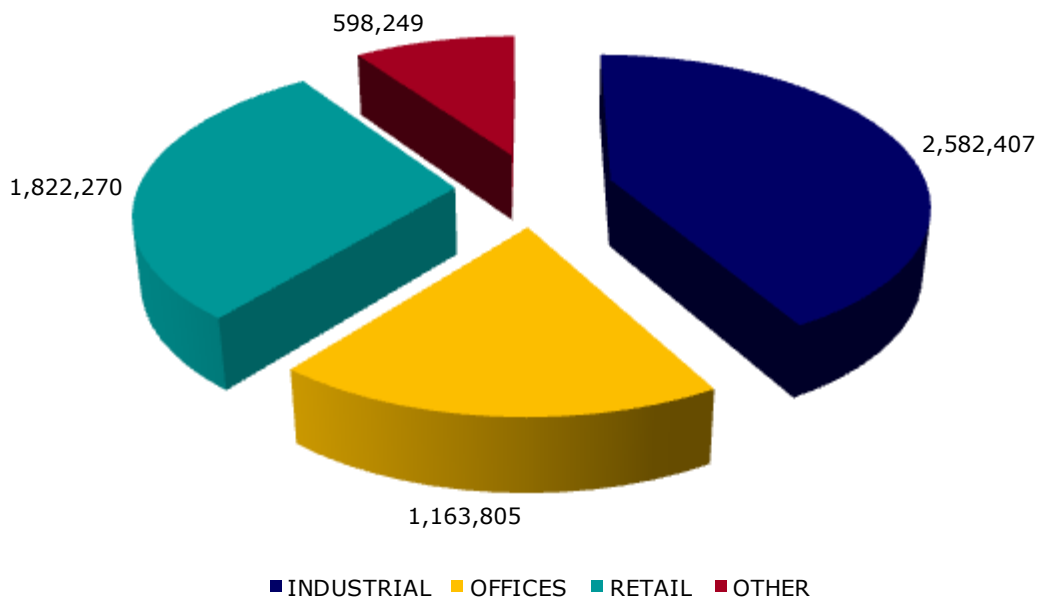
JHI also have some representation in Southern Africa with some 30 building, totaling 138,000m<sup>2</sup> under management in Lesotho and Namibia. The gross

lettable area and number of buildings in these two countries are set out in the figure below.

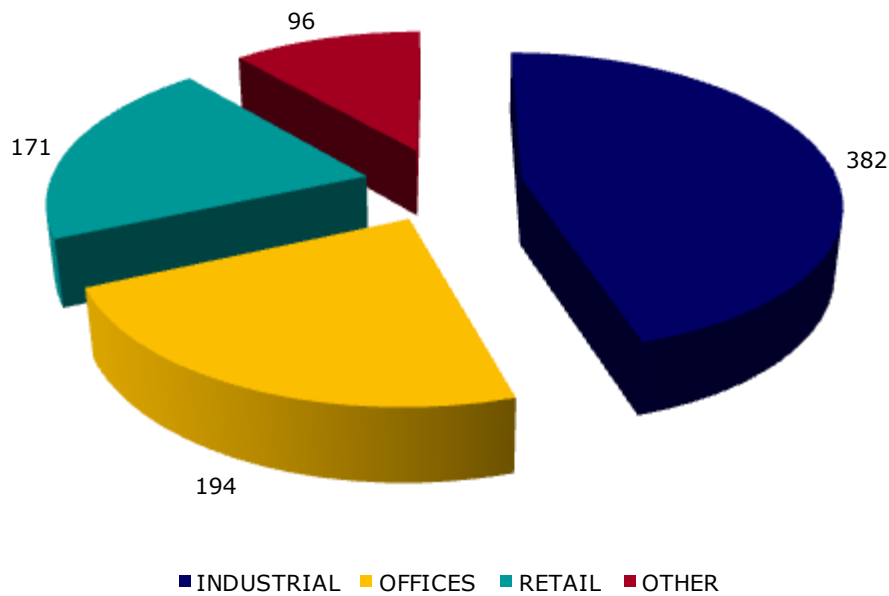


JHI does not specialize in one particular sector, but have the expertise to cover the whole spectrum of the property sector. The figures below show the total m<sup>2</sup> and number of buildings per sector under management.

**m<sup>2</sup> per Sector**



## Number of Buildings per Sector



## PROPERTY MANAGEMENT SERVICES

JHI is a true expert in the field of property management and has a proven track record in providing services to its field of speciality. This focus allows JHI to provide specialized knowledge and valuable experience and our comprehensive services include, but are not limited to, the following :

- Property Management
- Retail Management and Consulting
- Retail Leasing of new developments and upgrades
- Facilities Management and Planning
- Broking – Leasing and Sales (agency)
- Valuations
- Tenant and Corporate representation
- Public Sector Management and Advisory Services
- Investment Services
- Development Management and Tenant Co-ordination
- Project Management
- Residential Development
- Market Research, Analysis and Strategic Planning

The following section gives an overview of JHI’s capability to deliver the services required for the effective management of properties.

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## **COMMERCIAL PROPERTY MANAGEMENT**

JHI manages a wide portfolio of office and industrial developments with a total GLA in excess of 3.7-million m<sup>2</sup>. The services provided include the following :

- Marketing of space
- Letting of space
- Lease administration
- Rental collection and legal management
- Income and expense budgeting and controlling
- Cash flow management
- Management of service providers
- Building management
- Maintenance management
- Facilities management
- National procurement
- Sectional title management
- Regular reporting

## **RETAIL PROPERTY MANAGEMENT**

JHI manages 171 shopping centres with a total GLA of approximately 1.8-million m<sup>2</sup>. The centre sizes range from 1,000m<sup>2</sup> to around 80,000m<sup>2</sup>. Twenty-five centres under management have a GLA in excess of 20,000m<sup>2</sup> per centre. Prime shopping centres under management include Greenstone Shopping Centre, Kolonnade Shopping Centre, Kolonnade Retail Park, Fourways Mall, Randburg Square, East Rand Mall, Cedar Square, Phoenix Plaza, Willowbridge Tijger Valley, The Crescent Umhlanga Ridge, etc.

The portfolio under management covers the total spectrum of retail property in South Africa including centres catering to the broad middle class (LSM 4-8). The portfolio is nationally distributed; represents a cross section of all South African society and many of the centres are in the process of being redeveloped in accordance with their respective Strategic Letting Plan's (SLP).

Attention to detail, walking the floor and a transparent, effective and proactive approach to retail management is our norm. The centres are managed according to their diversified profiles and requirements per property category :

- Each has a dedicated management team;

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- ❑ Each has a SLP;
  - ❑ The portfolio management team regularly meets with retailers and tenants; and
  - ❑ Full marketing support is provided.

## **RETAIL SERVICES**

Our services include the following :

- ❑ Centre administration and management;
- ❑ Letting, lease management and rental collection;
- ❑ Strategic letting plans and advise on tenant mix;
- ❑ KPI indicators and benchmarking;
- ❑ Trading densities and turnover management;
- ❑ Mapped visuals on rentals and turnover;
- ❑ Marketing;
- ❑ Facilities management and procurement;
- ❑ Value enhancement through net income optimization;
- ❑ Customised monthly reporting including financials; and
- ❑ Each shopping centre has a management plan and strategic vision created by JHI and approved by the client. This include:
  - a regional analysis;
  - neighbourhood analysis;
  - property analysis;
  - market analysis;
  - recommendations;
  - financing suggestions; and
  - evaluation.

## **LEASING AND INVESTMENT SALES**

Our dynamic and experienced broker network provides clients and end-users with a competitive advantage in tracking and assessing opportunities throughout Southern Africa and Internationally through our Oncor relationship.

Our team of brokers and legal advisors assist with negotiations to ensure that the best possible terms and conditions are concluded on behalf of our clients and other stakeholders. We offer comprehensive property services dedicated to the provision of accurate, unbiased information used in the analysis of the property market in Southern Africa.

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This information is invaluable in the provision of comprehensive property advice and includes current market reports, rental surveys, sales figures, market trends and other services such as valuations, research, property management, development / project management and facilities planning are available to the division for its client's needs.

The properties under management are marketed by the broker team as well as other private or listed fund properties where mandated to do so.

## **VALUATIONS**

JHI Valuations strives to provide clients with a comprehensive and independent service relating to the commercial retail and industrial property market sectors.

Our aim is to assist decision-makers with the strategic management of their property assets and investments as well as related development and business strategies.

JHI Valuations ensures it adheres to international benchmarks. For example, we use Argus, an internationally accepted valuation programme. In addition we employ Registered Professional Valuers.

Valuation and related consultancy services have become essential to those involved in the increasing complexity and sophistication of accounting, tax, insurance and especially asset management. JHI has a wide range of these skills at hand to assist clients in meeting these growing requirements.

We provide a wide range of specialist valuation and consultancy services, which include, but are not limited to :

- ❑ Commercial and industrial land and building valuations;
- ❑ Listed companies in accordance with the requirements of the Companies Act 1973 in which JHI specialist skills ensures that the balance sheet reflects the current value to the business fixed assets;
- ❑ Raising of mortgage and property-related finance, including sale and leasebacks for the disposal and acquisition of property holdings;
- ❑ Rent reviews;
- ❑ Rates claims and expropriation;
- ❑ For insurance purposes: Buildings and other improvements should be insured at their full replacement cost. The reason is that most insurance contracts include an 'average' clause. In the event of partial destruction,

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only a portion of the cost of the building is refunded if the sum insured is less than the total replacement cost; and

- ❑ Residential and resort sector which include the valuation of townships and development projects, sectional title conversion, hotels, game lodges, golfing estates etc.

## **FACILITIES MANAGEMENT**

Facilities Management in the property management industry is an emerging and rapidly growing discipline that can be described as the practice where an integrated approach is adopted to plan and implement support facilities in line with prime business objectives. Over the past 5 years, property owners have embraced this concept and Facilities Management has developed faster than almost any other discipline in the property industry. Increasingly it is expected from property management companies to provide a single source of knowledge and management support regarding facilities and to ensure that facilities are efficiently and effectively managed. Cost savings are constantly being sought by property owners.

To address these issues, industry leaders have come to realise that high level skills and information on facilities must be centralised in a computer-aided vehicle. This vehicle is used as management support to enable property management companies to satisfy commercial and statutory requirements.

JHI understands the benefits and necessity of computer-aided facilities management and has developed an integrated building information management system (BIMS) utilising the latest information technology. The following elements form the nucleus of BIMS :

- ❑ Statutory requirements (primarily compliance to the requirements of the OHS Act);
- ❑ A live and interactive asset register with a detailed work breakdown structure;
- ❑ Standardised documents, procedures, work flow processes, etc;
- ❑ Logistics and procurement;
- ❑ Utilities management;
- ❑ CADD operations;
- ❑ Preventative maintenance; and
- ❑ Risk management, benchmarking, general and exception reporting.

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The structure of facilities management within JHI comprises a regional structure with a specialist support division at head office. Facilities management is structured in four regions, each with a Regional/Portfolio Director supported by Facilities Management, Operations Managers and Services and Project Consultants. Facilities management is autonomous as far as work flow processes, scope of work and method of execution is concerned, but control is exercised by linking job descriptions and task lists to outputs. Structured co-ordination between regions takes place and operations are standardised throughout the company.

In essence JHI manages facilities in an IT-environment achieving centralisation and standardisation of information, streamlining of administration, the driving down of costs and the countering of the lack of skills.

Documents and processes within JHI's facilities management include the establishment of an asset register as well as the standardisation of aspects such as contract documents, specifications, work flow processes, etc in order to:

- Ensure that facilities are performing the function that they are designed for;
- Gauge the condition of the building and all its installations;
- Benchmarking;
- Reduce risks for the property owner and management company; and
- Manage efficiently and effectively.

The scope of work for includes the auditing of :

- Asset register;
- Tender procedures;
- Construction contracts for new developments, refurbishments and minor repairs;
- Maintenance contracts which includes access control, security and fire, air-conditioning, electrical installations, lifts and escalators and general equipment (compactors, etc);
- Inspection contracts which includes infra-red inspections of electrical distribution boards and sprinklers;
- Service contracts which includes security, cleaning, hygiene and pest control, gardens and refuse removal; and
- Work flow processes for new developments and maintenance.

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## **PROCUREMENT AND TENDERING POLICY**

Logistics in the property management industry can be defined as the process of planning, procuring, implementing and controlling the efficient and cost-effective flow of services from point of origin to point of consumption. Advantages of planning, procurement, implementation and control within a structured logistical environment include cost effectiveness, proper risk management, quality assurance, standardisation and the bridging of time constraints.

JHI has planned, procured and implemented a number of national agreements on various services for Zenprop and Pangbourne. The savings achieved on soft services exceeded R2-million during the first year. Control and management of these contracts continues on an ongoing basis. In addition a comprehensive BEE strategy and implementation programme is being undertaken in conjunction with our clients. The scope of work includes the auditing of :

- ❑ Procurement of agreements for services which includes security, cleaning, hygiene, pest control, gardens and refuse removal;
- ❑ Procurement of maintenance and service agreements which includes parking, promotion; waste management, window cleaning, mechanical and electrical maintenance and inspection contracts, maintenance small works and infra-red tests;
- ❑ Procurement of agreements for products such as lights and fittings, headcount systems, signage; and
- ❑ Implementation of a BEE strategy and programme.

## **THIRD PARTY TENANT OR LEASE MANAGEMENT**

JHI has the expertise to provide a full range of services from negotiating leases, data management and property management to facilities management and valuations.

Our approach to third party tenant or lease management includes the following :

- ❑ Data Management which includes a comprehensive lease audit. The lease audit will include a detailed report for each lease which will indicate the following :
  - Tenant name (trading and legal);
  - Landlord;

- Building address (street and postal);
  - Gross rental per month or year;
  - Rental escalation;
  - Operating costs;
  - Other costs;
  - Rental rate per m<sup>2</sup>;
  - Status (current, expired, vacated etc.);
  - Market rate; and
  - Comments in respect of option notices and maintenance requirements (lease input).
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- Comments in respect of strategic requirements (JHI and client input).
  - Lease risk management e.g. maintenance responsibilities.
  - Lease expiry profiles and renewal negotiations.
  - Advice on consolidation of offices, procurement of new premises, lease negotiations etc.
  - Flag expiry dates to indicate twelve (12) months in advance (to cater for option notices as well).
  - Monthly reporting which includes strategic consulting, progress on renewals and financial reporting which includes all payments to vendors, budgeting, reconciliation, rent arrears and legal cases.
  - Monthly meetings in respect of the agreed strategy and progress on lease negotiations.
  - Annual valuations for insurance purposes. The valuations will be based on the Estimated New Replacement Cost Method and will be conducted two months prior to the anniversary of the insurance policy.

In addition to the estate management functions, JHI will also play a role in the strategic decision making of our client by evaluating the performance of expiring client specific leases. If it is found that the performance at a specific location does not meet the objectives of our client, JHI will source new premises which would be presented to the client for approval. The presentation of the new proposed premises will be in the format of a nodal analysis, which will include

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the location of the premises, building and nodal characteristics (rental, vacancies etc.), a SWOT analysis and recommendations.

## **RESEARCH AND STRATEGIC PLANNING**

In order to effectively manage properties, JHI realizes the importance of knowledge in all aspects of the property market. Therefore, to become competitive in this market, JHI increases knowledge through research, education and innovation. Research includes :

### **❑ Ad-hoc Topical Research Reports**

These reports include topical issues, such as new legislation and its influence on the property market, valuation and town planning issues, economic indicators, etc.

### **❑ Detailed Market Studies**

Market studies cover the economic and investment environment, the commercial and residential sectors as well as the four major commercial nodes within SA.

Detailed market studies also include nodal analysis which look at the residential and/or commercial market, general trends, demand and supply, influencing factors, such as town planning issues, general characteristics and risk factors within a node, area or country.

### **❑ Databases**

Comprehensive databases on market rentals, operating costs, retail tenants, vacancies, etc. which is based on internal data as well as external data.

### **❑ Portfolio Analysis**

Portfolio analysis which enables property owners to implement various strategies to ensure that properties within their portfolios generate sufficient income to meet their own capital reinvestment needs. Portfolio analysis includes the following elements :

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- **Structure, category and distribution analysis**  
Portfolios are broken down into different groups based on location, use types, values, income and leases. This analysis includes text and graphic displays.
  - **Data and information analysis**  
This provides a comprehensive view of each property, lease and tenant within a portfolio. This analysis is used to compare data and general information such as nodal conditions, future planning etc.
  - **Performance and projection analysis**  
Each property within a portfolio is analyzed based on existing leases and current and future market conditions. The results of this element are used for effective market benchmarking. To this extend, the Investment Property Data Bank (IPD) index provides the market with an effective benchmark of commercial property returns, rentals, vacancy rates and operating costs.
  - **Risk and Income Security Analysis**  
Rental data and projected income streams are analysed in order to show the security of income and 'worst-case' scenario by using graphs showing the full impact of rental growth over time.

Based on the results of the portfolio analysis the portfolio owner can determine : whether a property supports the owner's aims and objectives and financial strategy (holding strategy); whether a property have the potential for capital growth in value through development, including re-development or refurbishment (development strategy); or whether the property does not comply to any of the owner's objective and strategies (disposal strategy).

□ **Feasibility Studies form a Market Perspective**

These studies determine the likelihood of a project's success and also provide possible alternative solutions, should the project not be feasible, as well as recommendation on the best alternative. Feasibility studies include the following :

- An indication of key property trends in and around the proposed project.

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- Demand and supply analysis.
  - A SWOT analysis (strengths, weaknesses, opportunities and threats) of the proposed project.
  - Recommendations and alternatives based on the analysis regarding the viability of the proposed project from a market prospective.

□ **Due Diligence**

The following processes will be covered during the due diligence process :

- Physical which includes a physical inspection of the property in order to ascertain the physical condition of the building and maintenance issues.
- Legal which includes :
  - All legal aspects such as compliance to town planning controls and legislation;
  - Inspection of all leases in order to determine the enforceability; and
  - Service contracts.
- Financial which is based on projected cashflow based on existing leases and historical financial records. All financial information including tenant's payment history is checked to ascertain realistic income projection and risk.
- Other issues such as insurance claims, tenant analysis, market analysis, competition etc.